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ABSTRACT

This environmental scanning report presents, in brief, various key indicators: political climate, population demographics, secondary education, postsecondary education, welfare, unemployment, industry, labor, and general conclusions. General conclusions made in this report are as follows: higher education is expected to receive a slight increase in general funds, but the bulk of the budget will go to K-12 education; the budgets for Corrections and Medicaid will receive the largest percent increases in order to accommodate the state's growing and aging population; the state's population will continue to increase above the national rate; the fastest growing segment of the population over the next decade will be the "over 35" age group, which will have an impact on virtually all sectors of the government and economy; the number of high school graduates is also expected to increase; welfare-to-work requirements may translate into a larger labor force in need of education, training, and retraining; the unemployment rate for the state is, for the 11th straight year, below the national rate and the service industry is the fastest growing employment sector and includes jobs requiring a wide range of education and training. (VWC)

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SERVICE AREA MARKET ANALYSIS: ENVIRONMENTAL SCANNING

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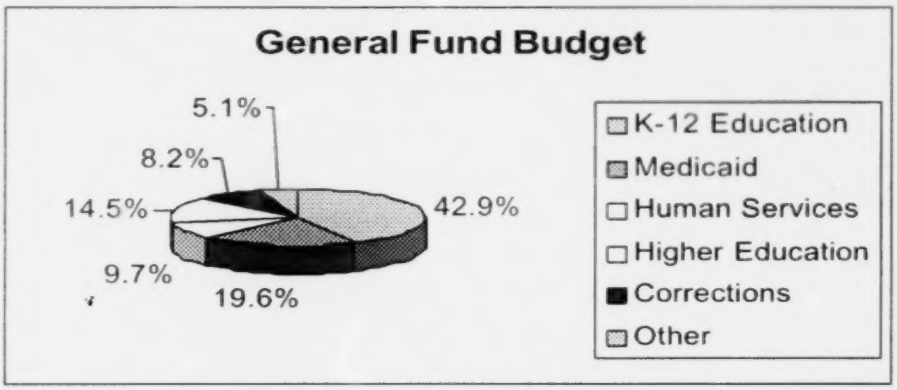
SERVICE AREA MARKET ANALYSIS: ENVIRONMENTAL SCANNING

Environmental scanning is a technique used to assess external forces in order to provide information to help guide policy and decision making. The current environmental scanning report is produced for the Service Area Market Analysis Task Force (1999-2000) and presents, in brief, various key indicators. This report should be synthesized with additional information gathered by other task force members. The key indicators of the current report are as follows: political climate, population demographics, secondary education, postsecondary education, welfare, unemployment, industry, labor, and general conclusions.

Political Climate: With the election of Bill Owens, the state's first Republican Governor in 24 years, political priorities are shifting. The Governor has stated that Colorado's top priority is educating children while providing tax relief for families (Budget Presentation to the Joint Budget Committee, November 1999). The following chart details Colorado's general fund request by department for fiscal year 2000-01. The largest percent of the budget will go to K-12 education (42.9%). Higher education is stipulated to receive 14.5% of the budget. However, this is only a 2.6% increase in general fund money. Other departments will receive up to a 10% increase in new general fund money. Corrections (10% increase) and Medicaid (7.8%) will receive the largest percent increases in funding.

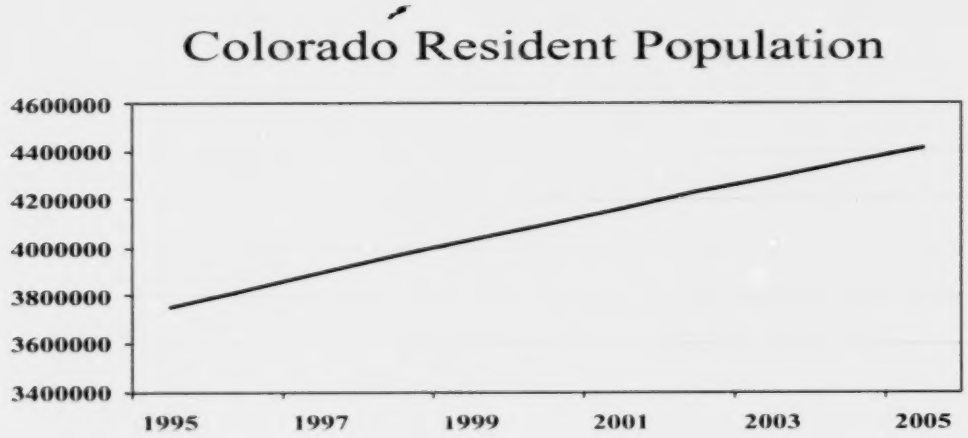


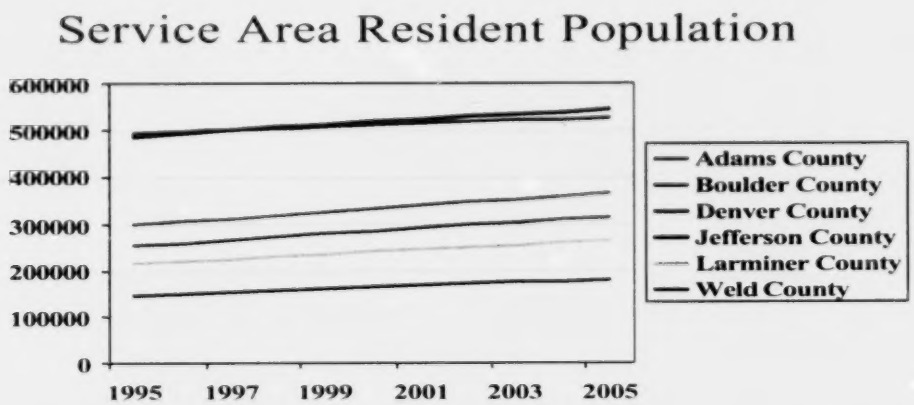
In addition to funding allocations, the state will also attempt to increase effectiveness and efficiency by increasing the use of technology in e-commerce, departmental on-line accessibility, agency coordination, and investment in public safety services (Budget Presentation to the Joint Budget Committee, November 1999).

Population Demographics: Colorado's population growth continues to out pace the nation. Between the years 1995-2005, it is expected that the state's population will have increased by 18% (665,489 people). The following population estimates are from the Colorado Economic and Demographic Information System (CEDIS, 1997).

ESTIMATED RESIDENT POPULATION

Service Area	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Colorado	3747565	3822681	3895520	3966989	4034707	4100961	4166855	4229478	4291844	4352975	4413054
Adams County	297869	305017	312183	319233	326009	332630	339111	345458	351683	357793	363983
Boulder County	255116	258804	265489	272099	278554	284795	290835	296677	302332	307801	313309
Denver County	492990	497006	501473	505726	509991	512819	516042	519082	521966	524689	527287
Jefferson County	488017	494007	500612	507019	512945	518624	524065	529293	534312	539132	543820
Larminer County	215742	220106	225045	230121	235206	240294	245391	250499	255615	260728	265722
Weld County	147503	151109	154339	157457	160579	163708	166849	169998	173153	176308	179447

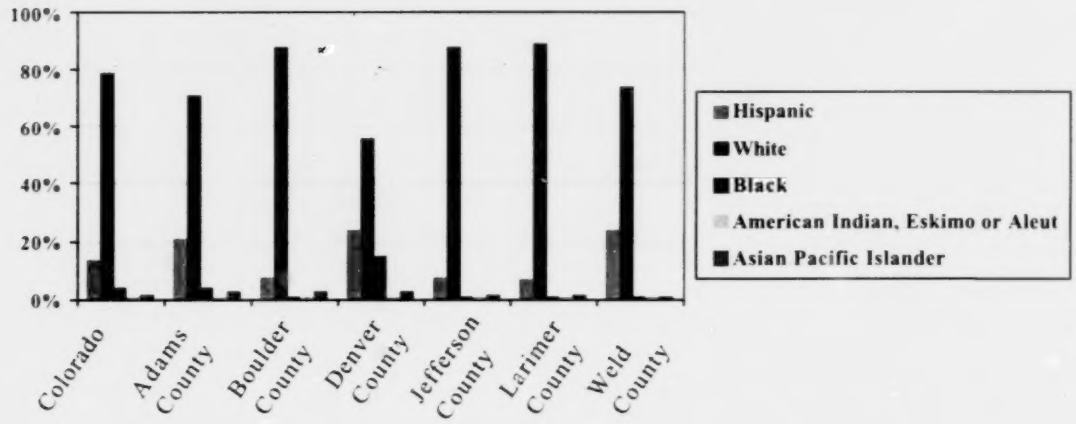




Larimer County is forecasted to experience the largest population growth in the FRCC service area from 1999-2005 (11.5%). Boulder is a close second, expecting an 11% growth rate over the next five years. Larimer, Boulder, Weld and Adams Counties are all expected to experience growth in the next five years that surpasses the state's overall growth rate (9%). The Fort Collins-Loveland metro area has recently been named as the 15th fastest growing metro area in the country as well as the fastest growing metro area in the state (The Coloradoan, 12/18/99).

In addition to population size, it is necessary to further detail the FRCC service area estimated resident population. It is not enough to know that Colorado's population is growing. It is also important to describe the ethnic diversity. The following data are from the U.S. Census Bureau, July 1998.

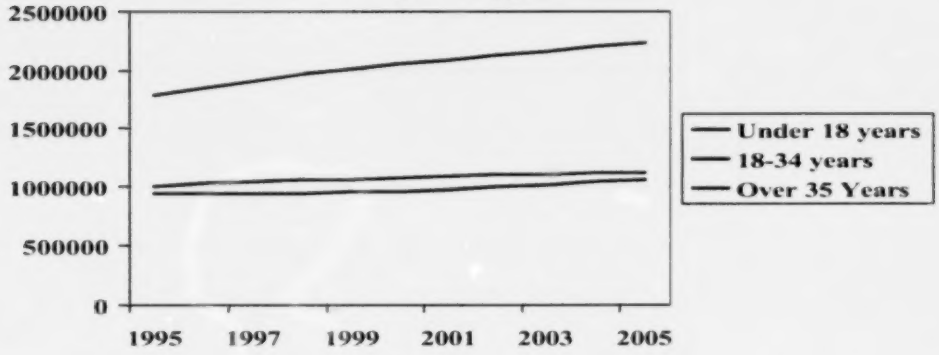
Service Area Ethnicity Estimates



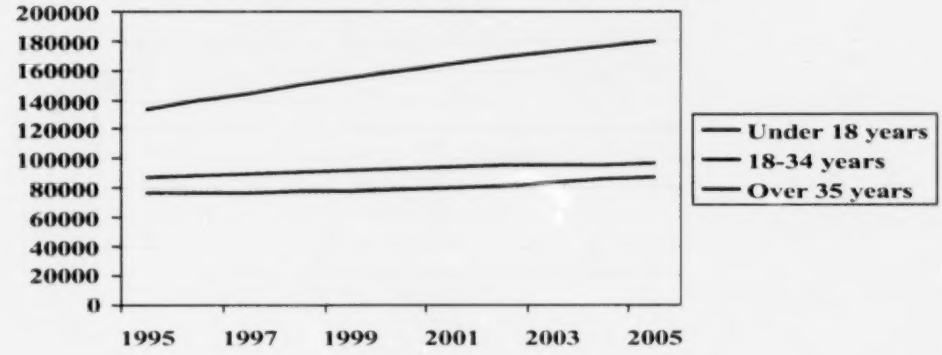
The Denver Post (9/15/99) reported that although the state's Asian population is small, it is the fastest-growing ethnic group, growing by 55% from 1990-1998. During the same time span, Colorado's Hispanic population increased by 34%. "If the trend continues, these growing minority groups could gain a more powerful voice in society" (Denver Post, 9/15/99).

In addition to ethnicity, the age of Colorado's growing population must also be considered. The following graphs display the state's estimated population by age group and then by both county and age group in order to forecast more specific trends.

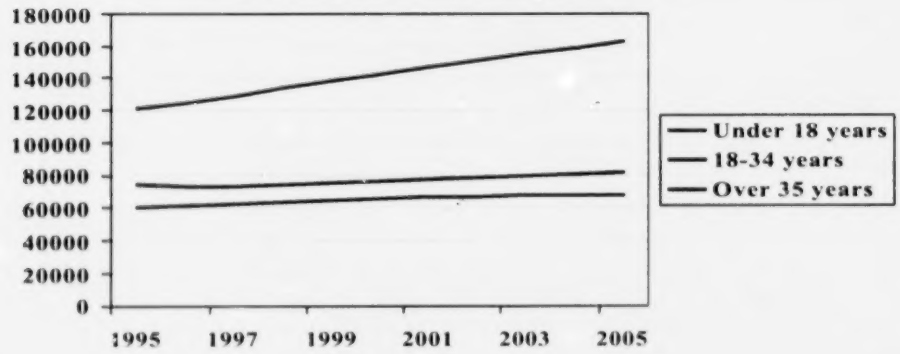
Colorado Estimated Population by Age



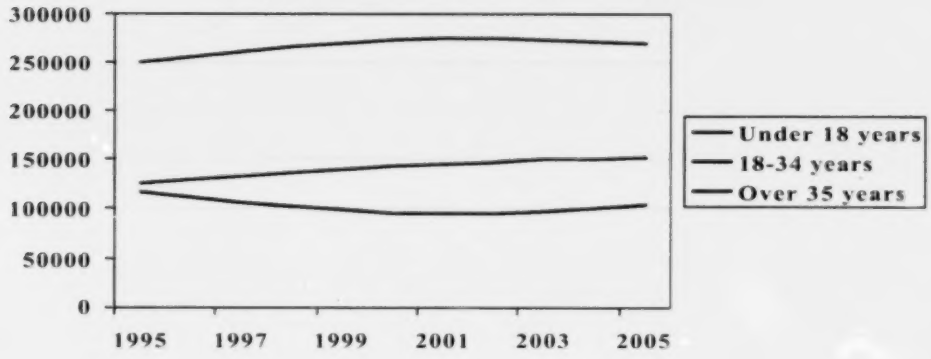
Adams County Estimated Population by Age



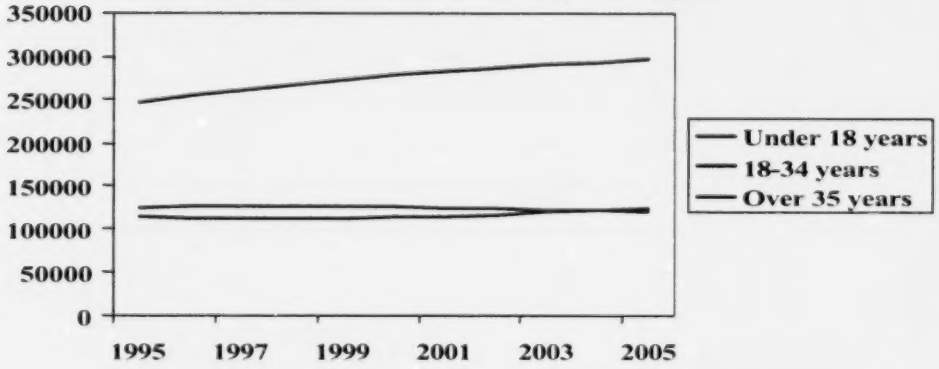
Boulder County Estimated Population by Age



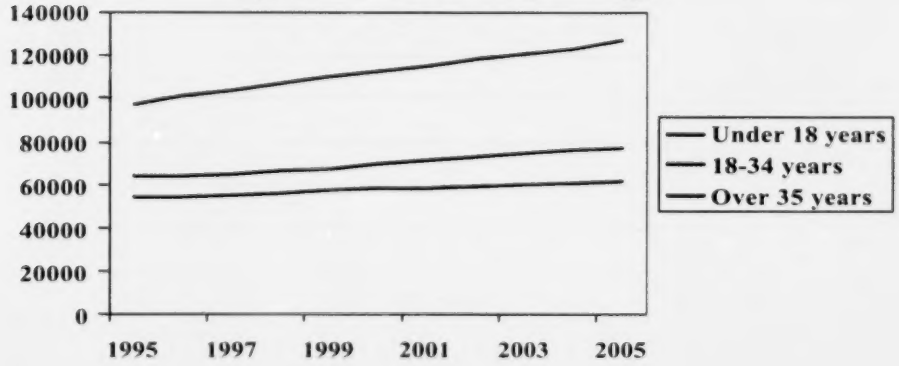
Denver County Estimated Population by Age



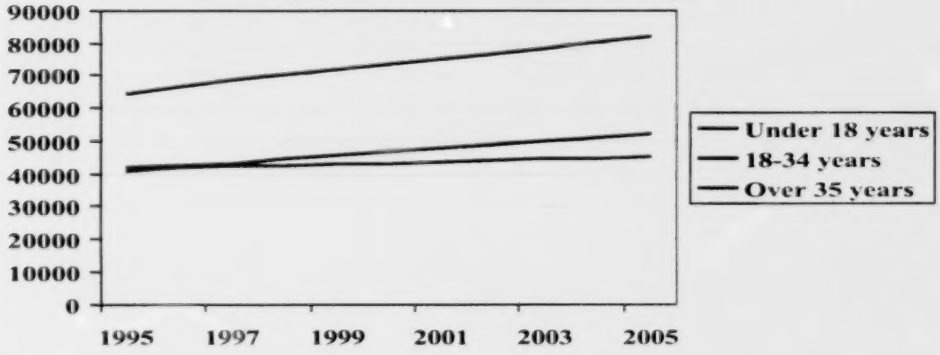
Jefferson County Estimated Population by Age



Larimer County Estimated Population by Age



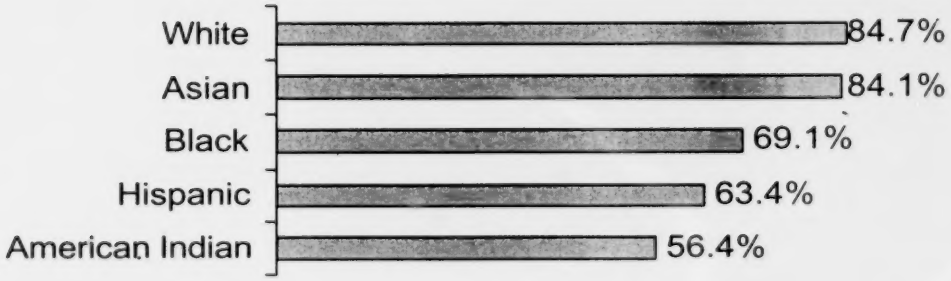
Weld County Estimated Population by Age



In the four fastest growing service area counties (Larimer, Boulder, Weld and Adams), the fastest growing segment of the population is projected to be the "over 35 years" group. This indicates that the FRCC potential student population may continue to age. This group will include individuals in need of training and/or retraining as they strive to keep up with technology in their chosen careers or switch careers entirely. An aging student population may further increase the need for flexible scheduling, compressed courses and distance learning tools within higher education.

Secondary Education: The Governor has recently outlined a plan that attempts to increase secondary school accountability in preparing students to qualify for higher education. This plan may effect high school graduation/drop out rates as well as student readiness for postsecondary education and the need for developmental courses in college curriculum. Although all of the students at FRCC are not recent high school graduates, recruiting and serving this segment of the population continues to be a top concern. The following high school data are from the Colorado Department of Education (1998).

1998 State High School Graduation Rates by Ethnicity



The total number of graduates for 1998 was reported to be 35,794. Graduation rates for males and females were 77% and 83.2% respectively. Minority graduation rates ranged from 56.4% to 84.1%. The Caucasian graduation rate was the highest at 84.7%. More specific to the six county FRCC service area…

Service Area Graduates (ranked by graduation rate)		
County	Graduates	Graduation Rate
Boulder	2373	85.1
Jefferson	4786	83.3
Larimer	2212	82.2
Adams	2472	78.9
Weld	1263	69.5
Denver	2408	64.9

Service Area Graduates (ranked by number of graduates)		
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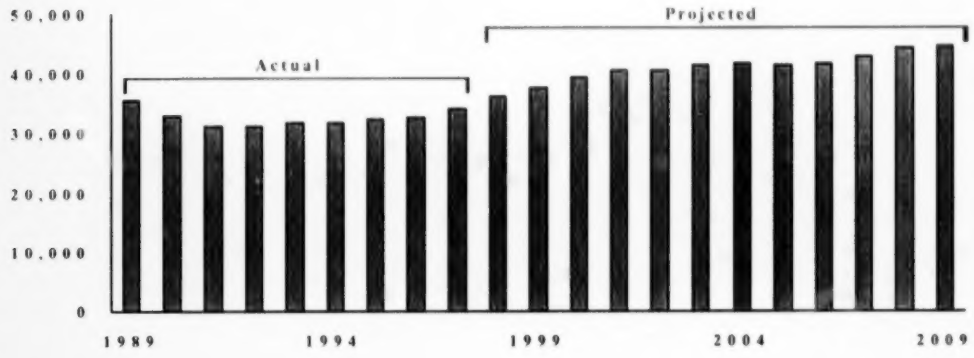
Jefferson	4786	83.3
Adams	2472	78.9
Denver	2408	64.9
Boulder	2373	85.1
Larimer	2212	82.2
Weld	1263	69.5

Boulder County had the highest graduation rate (85.1%). Jefferson and Larimer Counties also had graduation rates exceeding 80%. However, less than 2/3 of high school seniors graduated in 1998 from Denver County. Statewide, the number of high school graduates is estimated to continue to increase slightly over the next decade. It should be noted that the following chart is based on data published before the Governor's new initiatives.

Colorado High School Graduates



Postsecondary Education: The Governor has appointed a new director to the Colorado Commission on Higher Education (CCHE) and set forth initiatives that demand decreased spending and attempt to increase accountability in postsecondary education. These initiatives include increased workloads for faculty and staff, elimination of duplication of effort, quality indicators for performance based funding, and legislative studies of spending and productivity in higher education. 1999-2000 state appropriations for higher education totaled $719,221,000 (an increase of 5% from 1998-99). Specifically, Colorado community colleges received funding increases of about 10% (The Chronicle of Higher Education, December 17, 1999). A portion of the funding increase is being utilized to build the telecommunications infrastructure necessary to support distance learning, thereby increasing accessibility to higher education. This increased accessibility is just one reason that community college student enrollment increased 3.8% in 1998-99 (CCCOES Media Release August 18, 1999). The increased number of specialized high tech programs offered has also boosted enrollment. "Traditional wisdom says that in a booming economy, our enrollments should be down. However, our increase underscores that while jobs are plentiful, people continue to access community colleges for degree and certificate programs, especially in high technology where we offer broad-based, fast-track programs" (Dorothy Horrell - CCCOES President, 1999). By the year 2005, only 20% of new jobs in the U.S. economy will require a four-year degree. The remaining 80% will require a two-year degree at most (Workforce 2000). In addition to increased accessibility, specialized classes, and employment trends, the increase in community college enrollment may also be attributed to an increased number of high school graduates, an increased number of adults in need of career training or retraining, the welfare to work program, and low unemployment rates across the state.

Welfare: In accordance with Colorado's Welfare to Work program, "welfare recipients must move quickly into a job or training for a job. Those not working or in training after 2 years will lose benefits" (Romer, 1997 State of the State Address). From July 1997 to May 1999 the number of welfare cases dropped by 46%, in part, because recipients are required to participate in work programs (Colorado Department of Human Services, July 1, 1999). Employment, community service, vocational training, or education that is directly related to employment or GED preparation may satisfy work program requirements. Many recipients are skilled for employment in service and trade jobs, however, growth in these areas has slowed. Therefore, education and training continue to be necessary to prepare adult learners on welfare to obtain and maintain employment offering a living wage and health insurance (National Center for Research in Vocational Education, University of California at Berkeley, 12/97).

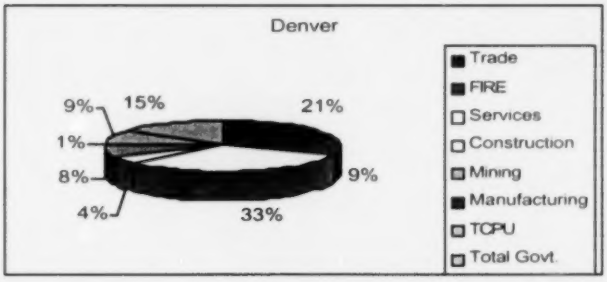
Unemployment: Colorado's booming economy has been fueled by a consistently low unemployment rate. The state's unemployment rate has ranged between 2.7 to 3.8 from October 1998 to October 1999. This is the eleventh straight year that the state's unemployment rate has come in below the national rate.

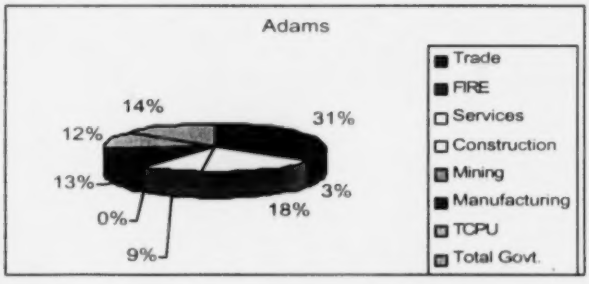
Industries: While low unemployment serves well to fuel a strong economy, it has also resulted in a tight labor market. The labor shortage may eventually be the cause of a slow down in the economy. The market is especially tight in high-tech industries. According

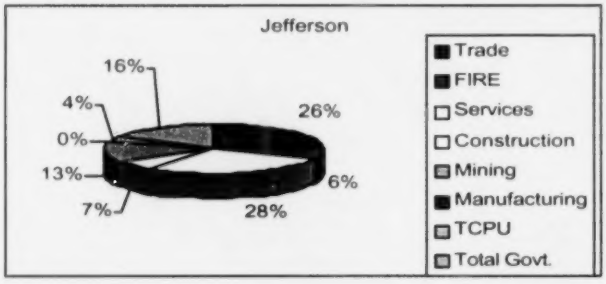
to the Denver Business Journal (11/12/99) Colorado ranks third in the nation in high-tech employment growth with jobs increasing by 43% between 1990-1997. The Colorado Department of Labor and Employment also predicts that this sector of the service industry will continue to experience above average growth. In addition, it predicts that the fields of health and education will also generate a large number of vacancies within the service industry. Recent state data describing industry changes confirm the service industry had the largest percent change as well as the largest increase in workers. (Note: FIRE = Finance, insurance and real estate; TCPU = Transportation, communications, and public utilities)

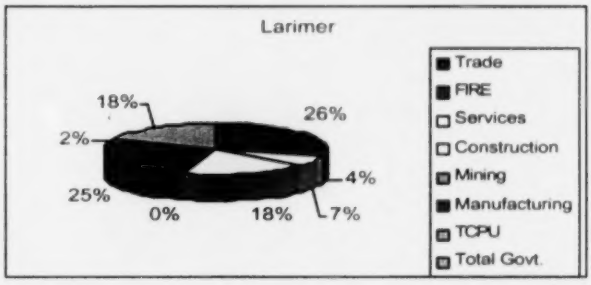
1998-99 Statewide Industry Changes	
Industry	Percent change
Services	4.4%
FIRE	3.5%
TCPU	3.1%
Trade	2.6%
Government	2.1%
Construction	1.5%
Manufacturing	1.0%
Mining	-0.7%

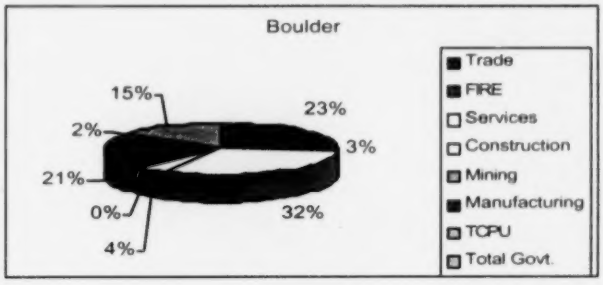
On the county level, the following charts display 1997 Colorado Department of Labor and Employment major industry data.

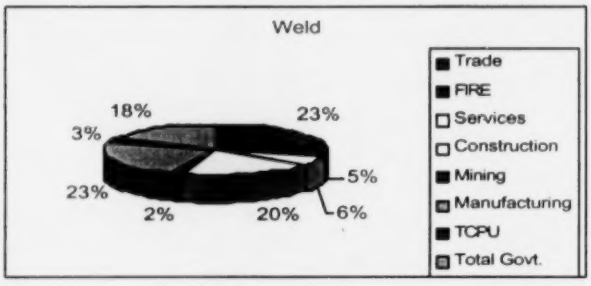












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On average, for the FRCC service area, the trade and service industries combined accounted for about 46% of employment (25% and 21% respectively). Government accounted for another 16% on average. Manufacturing and construction represented 14% and 10% each. The FIRE and TCPU industries each accounted for only 5% and mining came in at 4%.

Occupations: The Colorado Department of Labor and Employment predicts specific jobs that will experience large growth include "systems analysts, computer engineers, database administrators, computer programmers, registered nurses, physical therapists, emergency medical technicians, teacher aids and teachers from the preschool level through secondary school" (1999). Also at the state level, blue-collar occupations are expected to generally decline in availability although very specialized positions may see growth. One main reason for the general decline is the advancement in technology. Jobs from all industries that require short-term, on-the-job training and little education are also expected to be plentiful. Such jobs include retail sales, waiters, janitors, guards, cashiers, receptionists, childcare workers and laborers. This abundance of availability has made it difficult for employers to keep employees. Frequent job-hopping is common and will probably continue to be the case as long as the labor market is tight. According to the Colorado Department of Labor and Employment: Occupational Projections through 2006, jobs requiring an associate's degree or postsecondary vocational training that will be in the highest demand are as follows:

Occupation	Annual Growth	Annual Openings	Average Hourly Wage
Secretaries (except legal & medical)	2.0%	1561	$10.12
Registered Nurse	1.6%	789	$17.36
Cosmetologists	1.6%	412	$6.62
Health Professionals & Paraprofessionals	4.2%	314	$12.12
Electrical and Electronic Technicians	2.0%	286	$14.93
Licensed Practical Nurses	2.2%	255	$10.74
Engineering Technicians	2.9%	187	$16.68

General Conclusions:

Colorado's governor, Bill Owens, has put forth initiatives to attempt to increase the efficiency and effectiveness of our state government. Entering the second year of his term, he describes his top priorities as education and tax savings. Higher education is expected to receive a slight increase in general funds but the bulk of the budget will go to K-12 education. The budgets for Corrections and Medicaid will receive the largest percent increases in order to accommodate our growing and aging population.

The state's population will continue to increase above the national rate. The fastest growing segment of the population over the next decade will be the "over 35" age group. This will have an impact on virtually all sectors of government and economy.

The number of high school graduates is also expected to increase. In the year 2010, it is predicted that about 45,000 students will graduate from high school in Colorado. The

number of future graduates may be effected by the Governor's initiative that attempts to increase secondary school accountability in the preparation and graduation of students.

An increase in the number of high school graduates is just one of many reasons why there is an increased need for postsecondary education. Additional factors may include: increased accessibility to courses, increased offerings of specialized courses, an increased number of adults in need of career training or retraining, the welfare to work program, low unemployment rates across the state, and employment trends (specifically the increase in the technology sector of the service industry). To help serve the growing student population, Colorado higher education received a funding increase of 5% for fiscal year 1999-2000. Embedded in that funding increase was a 10% funding increase for Colorado community colleges (The Chronicle of Higher Education, December 17, 1999).

The welfare reform that began in 1997 has cut the welfare rolls almost in half. Welfare to work requirements may translate into a larger labor force in need of education, training and retraining.

The unemployment rate for the state is, for the eleventh straight year, below the national rate. This has boosted the state's economy but has also resulted in an extremely tight labor market and difficulty for employers trying to retain quality employees. The tight labor market may now begin to slow the economy down because it is stifling growth.

The service industry is the fastest growing employment sector and includes jobs requiring a wide range of education and training. Within the service industry, the most vacancies will be in the technology field. While some of these positions will require a four-year degree, many will not. Blue-collar occupations are expected to generally decline in availability although very specialized positions may see growth. One main reason for the general decline is the advancement in technology. Jobs from all industries that require short-term training and little education are also expected to be plentiful.

As the year 2000 begins, Colorado is poised to continue to grow, strengthen and diversify as technologies, businesses and individuals are attracted to the state. "Colorado right now is the third most diversified economy in the country" (Denver Post, December 1999). It is important for Front Range Community College to consider this diverse external environment in making planning decisions. This environmental scanning report is intended to help create a contextual framework of the external environment and should be integrated with additional information gathered by the 1999-2000 Service Area Market Analysis Task Force.

Revision date: January 26, 2000